

Message Text

CONFIDENTIAL

PAGE 01 STATE 157289
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY ARA/CAR:TJCHEAVNER/BTK
APPROVED BY ARA:TATODMAN
LA/AA:DLION
S/S: R. PERITO

-----079119 070206Z /64

O R 070150Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY KINGSTON IMMEDIATE
INFO AMEMBASSY OTTAWA
AMEMBASSY PORT OF SPAIN
AMEMBASSY CARACAS
AMEMBASSY LONDON

C O N F I D E N T I A L STATE 157289

EXDIS

E.O. 11652: GDS

TAGS: EFIN, EAID, JM

SUBJECT: JAMAICAN/IMF AGREEMENT AND FOREIGN ASSISTANCE
TO JAMAICA

1. JAMAICAN AMBASSADOR RATTRAY CALLED ON ASSISTANT
SECRETARY TODMAN AFTERNOON JULY 5 TO REPORT OUTCOME OF
MOST RECENT GOJ/IMF NEGOTIATIONS. ACCORDING TO RATTRAY,
DEPUTY PRIME MINISTER COORE WAS SUCCESSFUL IN ARRIVING
AT AGREEMENT WITH IMF ON ALL POINTS. HOWEVER, AGREEMENT
IS SUBJECT TO APPROVAL BY GOJ CABINET, AND IMF LAWYERS
ARE STILL LOOKING AT THE WORDING ON SOME ISSUES.

2. AGREEMENT WAS REACHED EVENING JULY 1, AND RATTRAY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 157289

SAID THAT HE EXPECTS RESPONSE FROM KINGSTON BY JULY 7.
RATTRAY EXPRESSED CONFIDENCE THAT HIS GOVERNMENT WOULD
CONFIRM THE AGREEMENT.

3. ACCORDING TO RATTRAY, MAIN FEATURES OF AGREEMENT
INCLUDE:

A. GOJ WILL CUT ITS BUDGET FROM 1.274 BILLION DOLS TO 1.2 BILLION DOLS, A REAL REDUCTION OF 8 PERCENT.

B. DEFICIT FINANCING WILL BE HELD TO ZERO, EXCEPT TO DEGREE GOJ IS ABLE TO COVER DEFICIT BY INCREASED INFLOW OF FOREIGN RESOURCES.

C. CEILING ON FOREIGN BORROWING SET AT DOLS 225 MILLION FOR DEBTS WITH MATURITIES OF 1-15 YEARS. SUBCEILING OF DOLS 75 MILLION SET FOR DEBTS WITH MATURITIES OF 1-5 YEARS.

D. EXCHANGE RATE WILL BE ALTERED BY MOVING A NUMBER OF ITEMS TO THE SPECIAL RATE. ALTHOUGH DUAL RATE IS "TEMPORARY MEASURE", NO TARGET DATE WAS SET FOR MOVING TO A SINGLE RATE.

4. ACCORDING TO RATTRAY, IMF HAS OUTLINED A SCHEDULE UNDER WHICH BOP SHORTFALLS WOULD BE REDUCED UNTIL, BY APRIL 1978, THERE WILL BE A BOP SURPLUS OF DOLS 30 MILLION. IF IMF "TESTS" ARE MET, IMF WILL ADVANCE A SECOND TRANCHE OCTOBER 15. IF THE TESTS ARE NOT MET, THE IMF WILL WANT THE EXCHANGE RATE "ADJUSTED".

5. RATTRAY SAID THAT DEPUTY PRIME MINISTER COORE BELIEVES FOREIGN ASSISTANCE FOR JAMAICA SHOULD BE ON A CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 157289

BILATERAL BASIS FOR THIS YEAR. FOR NEXT YEAR, THE GOJ HOPES THAT THE UNITED STATES WILL TAKE THE INITIATIVE IN STIMULATING FOREIGN DONORS AND COORDINATING THEIR EFFORTS INFORMALLY. THE IBRD IS NOT INTERESTED IN PLAYING SUCH A COORDINATING ROLE NEXT YEAR, BUT WOULD BE WILLING TO CHAIR A DEVELOPMENT CONSORTIUM FOR ASSISTANCE TO JAMAICA OVER THE FOLLOWING THREE TO FIVE YEAR PERIOD.

6. RATTRAY CONFIRMED OUR INFORMATION THAT VENEZUELA HAS OFFERED IMMEDIATE BOP ASSISTANCE OF DOLS 20 MILLION, PLUS DOLS 30 MILLION FOR PROJECTS.

7. IN RESPONSE TO AN INQUIRY BY AMBASSADOR RATTRAY, AMBASSADOR TODMAN AND AID DEPUTY ASSISTANT ADMINISTRATOR/LA DONOR LION OUTLINED PROPOSED U.S. ASSISTANCE PACKAGE FOR JAMAICA. LION SAID THAT TOTAL PACKAGE WILL BE IN THE NEIGHBORHOOD OF DOLS 62 MILLION, WITH A BOP IMPACT OF ABOUT DOLS 30 MILLION BY THE END OF CALENDAR 1977. AMBASSADOR TODMAN AND LION STRESSED FACT THAT THIS IS TENTATIVE PLANNING, SUBJECT TO CONGRESSIONAL CONSULTATIONS AND FURTHER CONSIDERATION WITHIN THE EXECUTIVE

BRANCH.

8. IN SUBSEQUENT TELEPHONE CALL TO LION, AMBASSADOR
RATTRAY EXPRESSED CONCERN THAT FULL FY 77 PL 480 ITEM

OF DOLS 12 MILLION MIGHT NOT BE USED BECAUSE JAMAICA
MAY HAVE ALREADY PURCHASED ITS REQUIREMENTS THROUGH
SEPTEMBER. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN ASSISTANCE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE157289
Document Source: CORE
Document Unique ID: 00
Drafter: TJCHEAVNER/BTK
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770240-0549
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770782/aaaactfh.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5254a66f-c288-dd11-92da-001cc4696bcc
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1935760
Secure: OPEN
Status: NATIVE
Subject: JAMAICAN/IMF AGREEMENT AND FOREIGN ASSISTANCE TO JAMAICA
TAGS: EFIN, EAID, JM, IMF
To: KINGSTON
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5254a66f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009